

Energy and commodities

After their strong growth in 2021, energy prices once again increased vigorously in Q1 2022, mainly in connection with the start of the war in Ukraine. The price of oil averaged \$100.8 per barrel over the quarter, up 65% year-on-year –with a peak in early March that exceeded \$130, a level not seen since 2008 (► [Figure 1](#)). This increase is even more pronounced in euros (+77.5% in Q1), due to the depreciation of the euro against the dollar over the period. Since the beginning of Q2, the price of oil has held steady at over \$105 a barrel, fluctuating mainly in line with geopolitical tensions –the prospect of a European embargo on Russian oil causing it to rise again at the end of May to over \$120. Meanwhile, the price of gas on the European market (TTF) averaged €100 per MWh in Q1, or more than 5.5 times its level of a year earlier (► [Figure 2](#)). After a peak at the beginning of March, it remained significantly above its level from before the war in Ukraine: the heavy dependence of European countries on Russian gas –supplies of which are becoming increasingly uncertain– is helping to keep markets tense. In addition, the rebuilding of inventories after the winter started at a lower level than in the last three years (► [Figure 3](#)). The price of coal, of which Russia is one of the world’s main exporters, was also 3.5 times higher year-on-year in Q1. Lastly, after a downturn at the beginning of March, the price of carbon dioxide (CO₂) on the European Union Emissions Trading System started to rise again, and is now once again around €90 per tonne.

At the same time, the entire world commodity market is following a sharply upward trajectory, with high volatility. Some supply chains have become disrupted, while the war in Ukraine and production uncertainties related to climate (especially extreme heat in India) raise fears of shortages of wheat, sunflower oil and nickel. As a result, the prices of imported food commodities increased in May by 41.4% year-on-year (► [Figure 4](#)). The prices of agro-industrial and mineral commodities, although less buoyant in H2 2021, were back in May 2022 at their high levels of a year before, particularly in the wake of certain “critical” metals (lithium, cobalt, nickel, etc.).

For several months, price rises in energy and other commodities have impacted the dynamics of production prices: in industrial and agricultural products they continue to rise, with year-on-year change in April of +25.0% (+13.2% for prices in industry excluding energy) and +30.8% (of which +75.5% for cereals and +96.4% for oil seeds and oleaginous fruits and fats) respectively.

Over the forecasting period (end of 2022), the assumption is that oil prices will remain constant, fixed at \$120 (i.e. €111.1 assuming a euro-dollar exchange rate of 1.08 dollars for 1 euro). The supply of oil could certainly exceed demand during 2022 and the momentum of inflation raises fears of a slowdown in world growth. However, the strong geopolitical tensions, the very high prices of other energies, and inventories at their lowest for 5 years, are expected to keep markets under pressure. ●

► 1. Price of oil (Brent) in dollars and euros



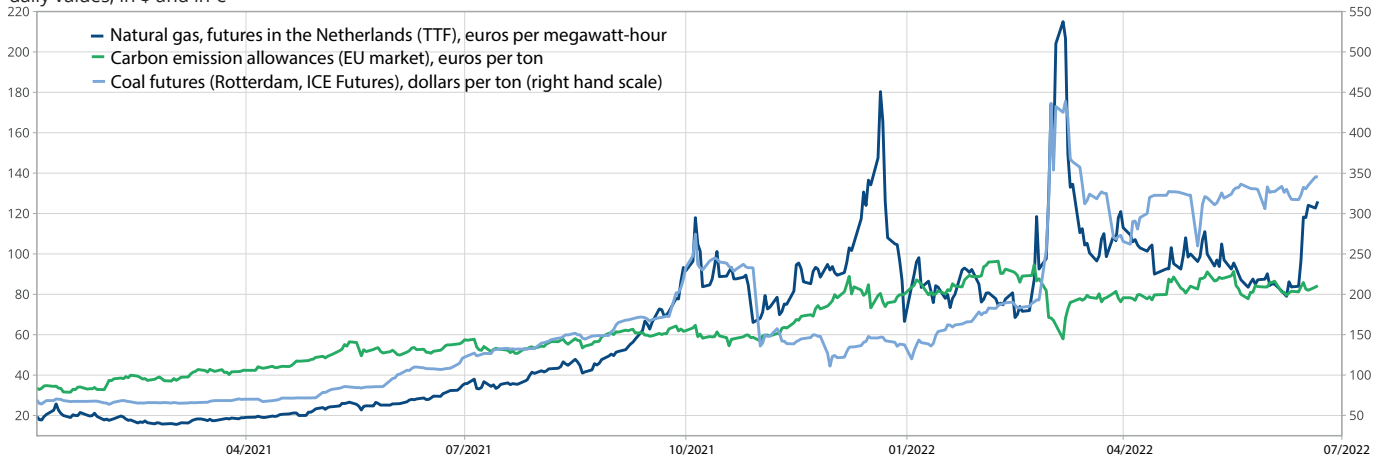
Last point: 21 June 2022.

How to read it: on 21 June 2022, the price of a barrel of Brent was \$114.9

Source: Commodity Research Bureau

► 2. Prices of natural gas, coal and tonnes of CO₂

daily values, in \$ and in €



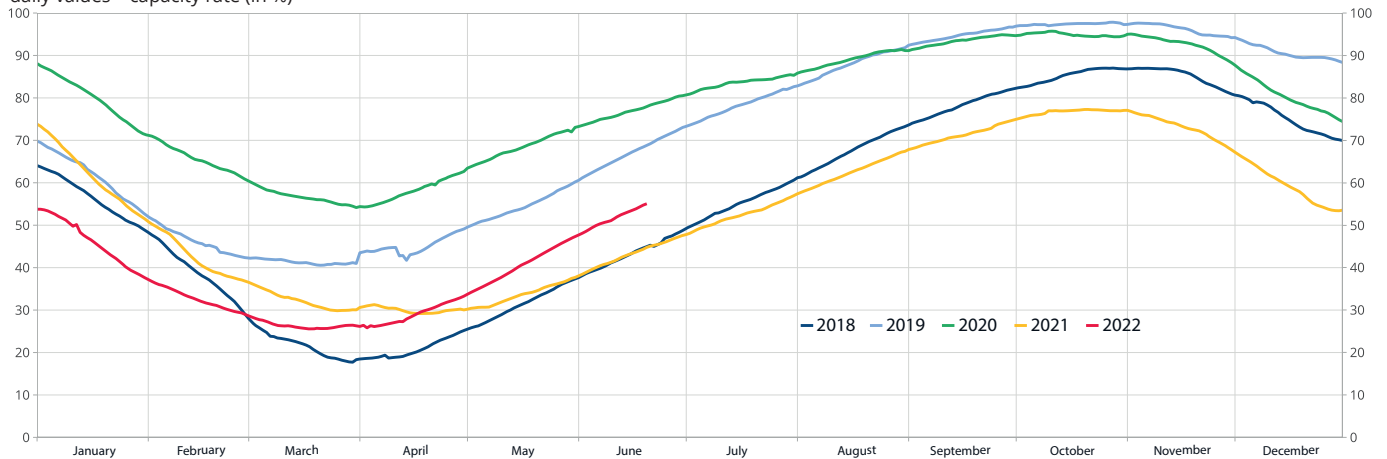
Last point: 21 June 2022

How to read it: on 21 June 2022, the value of natural gas contracts at the next expiry date in the Netherlands (TTF) is €126 per megawatt hour.

Source: ICE Futures Europe

► 3. Natural gas inventory in the European Union countries

daily values – capacity rate (in %)



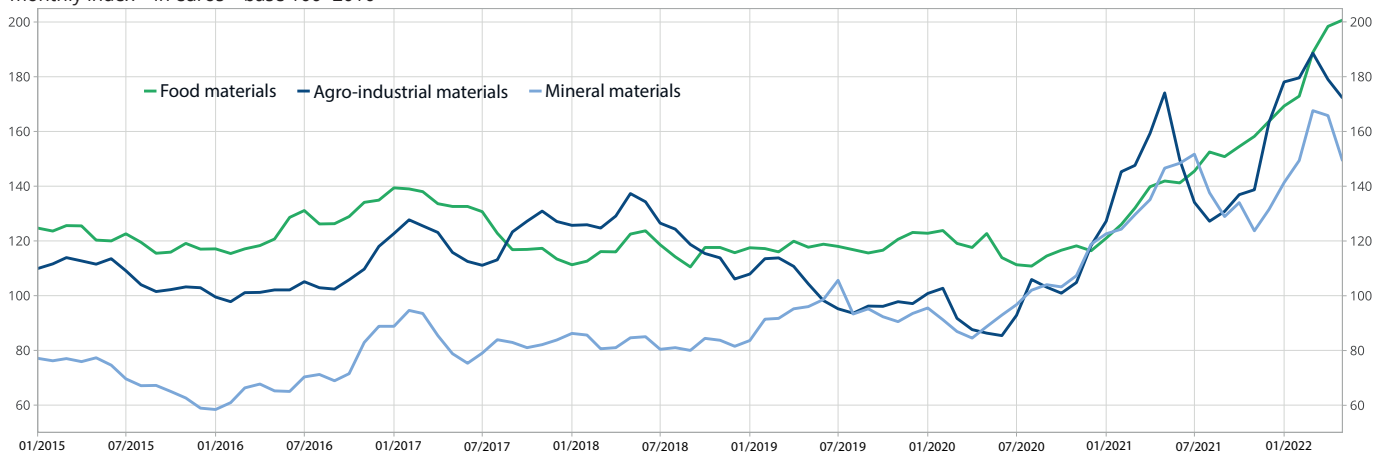
Last point: 20 June 2022.

How to read it: on 20 June 2022, natural gas inventory in the European Union countries stood at 55% of total inventory capacity

Source: Gas Infrastructure Europe - AGSI+

► 4. Price indices for imported commodities in France

monthly index – in euros – base 100=2010



Last point: May 2022

How to read it: on May 2022, the price index in euros of industrial products was 200.7.

Source: INSEE